
State:	Illinois	Filing Company:	Aspen American Insurance Company
TOI/Sub-TOI:	11.2 Med Mal-Claims Made Only/11.2023 Physicians & Surgeons		
Product Name:	Physicians and Surgeons Professional Liability		
Project Name/Number:	ASAIC-MM-PS-IL-1301R /ASAIC-MM-PS-IL-1301R		

Filing at a Glance

Company:	Aspen American Insurance Company
Product Name:	Physicians and Surgeons Professional Liability
State:	Illinois
TOI:	11.2 Med Mal-Claims Made Only
Sub-TOI:	11.2023 Physicians & Surgeons
Filing Type:	Rate/Rule
Date Submitted:	04/02/2013
SERFF Tr Num:	PERR-128940127
SERFF Status:	Closed-Filed
State Tr Num:	PERR-128940127
State Status:	
Co Tr Num:	ASAIC-MM-PS-IL-1301R
Effective Date	06/01/2013
Requested (New):	
Effective Date	
Requested (Renewal):	
Author(s):	Lana Begunova, AINS, AIS
Reviewer(s):	Gayle Neuman (primary), Neetha Mamoottile, Caryn Carmean
Disposition Date:	04/29/2013
Disposition Status:	Filed
Effective Date (New):	06/01/2013
Effective Date (Renewal):	
State Filing Description:	
ROUTED	4/16/13

State:	Illinois	Filing Company:	Aspen American Insurance Company
TOI/Sub-TOI:	11.2 Med Mal-Claims Made Only/11.2023 Physicians & Surgeons		
Product Name:	Physicians and Surgeons Professional Liability		
Project Name/Number:	ASAIC-MM-PS-IL-1301R /ASAIC-MM-PS-IL-1301R		

General Information

Project Name: ASAIC-MM-PS-IL-1301R	Status of Filing in Domicile: Not Filed
Project Number: ASAIC-MM-PS-IL-1301R	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 04/29/2013	
State Status Changed:	Deemer Date:
Created By: Lana Begunova, AINS, AIS	Submitted By: Lana Begunova, AINS, AIS
Corresponding Filing Tracking Number: ASAIC-MM-PS-IL-1301F	

Filing Description:

On behalf of Aspen American Insurance Company ("Aspen" or "The Company"), we are proposing to introduce rates and rules associated with a new Physicians and Surgeons Professional Liability Program. The program will be written on a claims-made basis, with base limits of \$1,000,000/\$3,000,000.

The rates and rules for the Company's proposed program are very similar to the Physicians and Surgeons Professional Liability Program approved in your jurisdiction for Valiant Insurance Company (latest revision effective 07/01/2009). Please find the attached Exhibit 1, which provides a comparison between the proposed rates and rating factors and those approved for Valiant Insurance Company.

Enclosed is authorization for Perr&Knight to submit this filing on behalf of the Company. All correspondence related to this filing should be directed to Perr&Knight. The Company has prepared the material contained in this filing. If there are any requests for additional information related to items prepared by the Company, we will forward the request immediately to the Company. We will submit the Company's response to your attention as soon as we receive it.

Company and Contact

Filing Contact Information

Lana Begunova, AINS, AIS, State Filings Analyst	doi@perrknight.com
401 Wilshire Boulevard, Suite 300	888-201-5123 [Phone] 151 [Ext]
Santa Monica, CA 90401	310-230-1061 [FAX]

Filing Company Information

(This filing was made by a third party - perrandknightactuaryconsultants)

Aspen American Insurance Company	CoCode: 43460	State of Domicile: Texas
350 North St. Paul Street	Group Code: 4698	Company Type:
Dallas, TX 75201	Group Name: Aspen Group	State ID Number:
(646) 502-1024 ext. [Phone]	FEIN Number: 75-2344200	

Filing Fees

Fee Required?	No
Retaliatory?	No

State:	Illinois	Filing Company:	Aspen American Insurance Company
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Fee Explanation:

State Specific

Refer to our checklists prior to submitting filing (http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm):

Acknowledged

Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: Acknowledged

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. :

http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp .: Acknowledged

Medical Malpractice rates/rules may now be submitted using SERFF effective January 1, 2012.: Acknowledged

The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.":

Acknowledged

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: N/A

State:	Illinois	Filing Company:	Aspen American Insurance Company
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	04/29/2013	04/29/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Gayle Neuman	04/16/2013	04/16/2013

Response Letters

Responded By	Created On	Date Submitted
Lana Begunova, AINS, AIS	04/16/2013	04/16/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
RE: effective date	Note To Reviewer	Lana Begunova, AINS, AIS	04/29/2013	04/29/2013
effective date	Note To Filer	Gayle Neuman	04/25/2013	04/25/2013
Actuarial Review Complete	Reviewer Note	Caryn Carmean	04/24/2013	

State:	Illinois	Filing Company:	Aspen American Insurance Company
TOI/Sub-TOI:	11.2 Med Mal-Claims Made Only/11.2023 Physicians & Surgeons		
Product Name:	Physicians and Surgeons Professional Liability		
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Disposition

Disposition Date: 04/29/2013
Effective Date (New): 06/01/2013
Effective Date (Renewal):
Status: Filed

Comment:

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Aspen American Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Certification		Yes
Supporting Document	Manual		Yes
Supporting Document	Request to Maintain Data as Trade Secret Information		Yes
Supporting Document	Letter of Authorization		Yes
Supporting Document	Rate Support		No
Rate	Rates and Rules Manual		Yes
Rate	Physician Classification Plan		Yes

State: Illinois **Filing Company:** Aspen American Insurance Company
TOI/Sub-TOI: 11.2 Med Mal-Claims Made Only/11.2023 Physicians & Surgeons
Product Name: Physicians and Surgeons Professional Liability
Project Name/Number: ASAIC-MM-PS-IL-1301R /ASAIC-MM-PS-IL-1301R

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	04/16/2013
Submitted Date	04/16/2013
Respond By Date	04/23/2013

Dear Lana Begunova, AINS, AIS,

Introduction:

This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:

Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

Conclusion:

Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>

Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:

http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp

Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.

Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.

Sincerely,

Gayle Neuman

State:	Illinois	Filing Company:	Aspen American Insurance Company
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Project Name/Number:	ASAIC-MM-PS-IL-1301R /ASAIC-MM-PS-IL-1301R		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	04/16/2013
Submitted Date	04/16/2013

Dear Gayle Neuman,

Introduction:

Response 1

Comments:

Statistical Agent for the program will be ISO.

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,
Lana Begunova, AINS, AIS

State:	Illinois	Filing Company:	Aspen American Insurance Company
TOI/Sub-TOI:	11.2 Med Mal-Claims Made Only/11.2023 Physicians & Surgeons		
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Note To Reviewer

Created By:

Lana Begunova, AINS, AIS on 04/29/2013 11:45 AM

Last Edited By:

Gayle Neuman

Submitted On:

04/29/2013 12:59 PM

Subject:

RE: effective date

Comments:

The Company would like to keep the effective date as 6/1/2013.

State:	Illinois	Filing Company:	Aspen American Insurance Company
TOI/Sub-TOI:	11.2 Med Mal-Claims Made Only/11.2023 Physicians & Surgeons		
Product Name:	Physicians and Surgeons Professional Liability		
Project Name/Number:	ASAIC-MM-PS-IL-1301R /ASAIC-MM-PS-IL-1301R		

Note To Filer

Created By:

Gayle Neuman on 04/25/2013 07:48 AM

Last Edited By:

Gayle Neuman

Submitted On:

04/29/2013 12:59 PM

Subject:

effective date

Comments:

The Department of Insurance completed its review of this filing. Originally, Aspen American requested the filing be effective June 1, 2013. Will the filing be put in effect on June 1, 2013 or do you wish to have a different effective date? Your prompt response is appreciated.

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Reviewer Note

Created By:

Caryn Carmean on 04/24/2013 03:36 PM

Last Edited By:

Gayle Neuman

Submitted On:

04/29/2013 12:59 PM

Subject:

Actuarial Review Complete

Comments:

Completed

State:	Illinois	Filing Company:	Aspen American Insurance Company
TOI/Sub-TOI:	11.2 Med Mal-Claims Made Only/11.2023 Physicians & Surgeons		
Product Name:	Physicians and Surgeons Professional Liability		
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Rate Information

Rate data applies to filing.

Filing Method:	Use & File
Rate Change Type:	Neutral
Overall Percentage of Last Rate Revision:	%
Effective Date of Last Rate Revision:	
Filing Method of Last Filing:	N/A, new program

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Aspen American Insurance Company	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

State:	Illinois	Filing Company:	Aspen American Insurance Company
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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Rates and Rules Manual	Form 501 Effective: 06/01/13; pp. 1-17	New		03 Aspen IL Final UW Manual 20130601.pdf
2		Physician Classification Plan	Effective: 06/01/2013: pp. 1-3	New		04 IL Rating Manual Appendix 1 Class Specialty List.pdf

ASPEN AMERICAN INSURANCE COMPANY

PHYSICIANS AND SURGEONS PROFESSIONAL LIABILITY INSURANCE

Rates and Rules Manual

ASPEN AMERICAN INSURANCE COMPANY
Physicians and Surgeons Professional Liability Insurance

I. GENERAL

- A. This manual contains the rules, rating classifications, and rates governing the underwriting of medical professional liability insurance by Valiant Insurance Company ("Aspen"), herein referred to as "Aspen" or "Company".
- B. General principles and criteria for underwriting the risk include, but are not limited to, the application, verification of claims and coverage information from prior insurance carriers, State Departments of Licensing and Regulation, information from other physicians or health care providers, information from hospitals or administrators, behavior assessment, medical societies or appropriate specialty societies, newspapers, magazines, radio, television or any other means of information available to evaluate the risk exposure.
- C. Aspen will not render an adverse underwriting decision to an applicant or insured if that person is a victim of domestic violence or battery committed against him/her by a spouse or person in the same household. Aspen will not refuse to renew a policy based on claims against any policy during the preceding 60 months for a loss of hate crimes if the insured provides evidence to Aspen that the act causing the loss is identified as a hate crime on a police report.

II. POLICY PERIOD

- A. The policy is issued for an annual term. Exceptions to this rule may appear elsewhere in this manual. The earliest effective date coverage can be bound will be the date the application is received by the Company. Under no circumstances will coverage be issued prior to the date the applicant was licensed in the state to practice medicine.

III. COVERAGE FORM

- A. All coverage is written on a claims-made basis. All new policies are issued with a retroactive date equal to the coverage effective date, unless the applicant is approved for Prior Acts Coverage. This coverage is provided by the use of a retroactive date prior to the new coverage effective date and is subject to specific approval by the Company.
- B. PL-4 provides individual coverage with a provision for the inclusion of a Professional Association, Partnership, or Corporation to which the individual may belong and includes coverage only for the actions of the individual named as insureds. No matter how many persons or organizations may be named, only one limit of liability will apply.

IV. LIMITS OF LIABILITY

- A. The base rate presented in this manual reflects \$1,000,000/\$3,000,000 limits of liability, mature claims made medical professional liability coverage provided for an annual policy period. Factors for rating other available coverage options are presented in the Rating Factors section of this manual.

V. POLICY CANCELLATION

All cancellations and non-renewals will be in compliance with policy form number 50, IX. Cancellation and Non-Renewal and in compliance with the Laws of Illinois.

- A. Unless a policy is canceled as of inception or anniversary, the return premium will be computed on an earned basis less a short rate fee. All fees, other than premium are non-refundable. Exceptions: cancellations at the request of the Company, with a 60 day notice; cancellations due to the death of the insured; cancellations due to disability which qualifies for free tail; cancellations when fully retiring.
- B. Prior notification will be provided for any cancellation by the Company. Notice of cancellation will be provided by mail ten days prior to the effective date of cancellation for non-payment of premiums; thirty days prior notice for cancellation during the first 60 days of coverage; sixty days prior to effective date of cancellation after coverage has been effective for 61 days or more.

All notices shall include a specific explanation of the reason(s) for cancellation.

- C. Any request for cancellation by the insured must be signed by the insured, and contain the effective date of cancellation as well as the policy number. Once a policy is issued, failure to pay the initial premium due will void a policy.

VI. PREMIUM PAYMENT PLAN

- A. When coverage is approved, the premium will be computed and a quotation forwarded. The policy will be bound and issued when the premium and any other required information has been received by the Company.
- B. Premiums may be paid on an annual basis, or under a Premium Payment Plan. The Premium Payment Plan offers four options described in the table below:

Quarterly Installment Option 1:	Based on four quarterly payments, the first payment will be 25% of annual premium plus a \$2.00 installment fee. The remaining payments will be due at 3, 6 and 9 month intervals, and will also be 25% of annual premium plus a \$2.00 installment fee. No interest is charged.
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Option 2:	Based on nine monthly payments, the first payment due will be 20% of the annual premium plus a \$2.00 installment fee. Eight monthly subsequent payments in the amount of 10% of this total will be remitted monthly thereafter, plus a \$2 installment fee. No interest is charged.
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Option 3:	Electronic Funds Transfer – 10% discount for reoccurring ACH monthly transfer (Checking Account), plus a \$2.00 installment fee. No interest is charged.
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Option 4:	Electronic Funds Transfer – 10% discount for monthly reoccurring credit card payment plus a 2.4% charge to cover credit card charges, plus a \$2.00 installment fee. No interest is charged.
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- C. If there are endorsement changes during the policy year, any remaining installments will be adjusted for the amount of the change, and a new schedule will be issued spreading equally the increase in premium over the remaining installments. If no additional installments remain, additional premium may be billed immediately as a separate transaction.

- D. No installment fee shall exceed 1% of the total premium or \$25.00, whichever is less.

VII. RETURN OF PREMIUM PAYMENT

- A. The Company has a sole obligation to the Named Insured as it appears on the Declarations Page of the policy, regardless of who pays the premium. All return premium will be rendered to the Insured if cancellation occurs. The only time the return premium will be returned to someone other than the Named Insured is if there is a premium finance contract. All negotiation of responsibility of premium payment lies directly on the Named Insured. The company will not honor a request of cancellation by a third party payor or employer, except when there

exists a premium finance agreement containing a power of attorney which enables the premium finance company to cancel.

VIII. PHYSICIAN CLASSIFICATION

- A. Specialty classification is based on each individual applicant's health care practice as it is insured by Aspen; portions of health care practice that are uninsured, or are insured by other insurers, may be excluded from coverage and are not considered in determining the appropriate rating classification.
- B. For the purpose of determining each applicant's specialty designation:
 - 1. The term "no surgery" applies to general practitioners and specialists who do not perform obstetrical procedures or surgery (other than incision of boils and superficial abscesses, removal of superficial growths, or suturing of skin and superficial fascia), and who do not ordinarily assist in surgical procedures.
 - 2. The term "minor surgery" applies to general practitioners and specialists who perform the following procedures or assist in major surgery on their own patients: catheterization, endoscopy (other than colonoscopy, proctoscopy, or sigmoidoscopy), vasectomies, hemorrhoidectomies, diagnostic D & C's and vacuum curettage abortions during the first trimester of pregnancy.
 - 3. The term "major surgery" applies to general practitioners and specialists who perform any surgery other than "minor surgery", and to those who assist at major surgery on other than their own patients.
- C. If two or more specialty classifications apply to the same applicant, the classification with the higher rate will apply. The specialty designations presented in this manual may not be all inclusive. To the extent an applicant requests coverage for a specialty designation not included in the classification plan presented in this manual, a specialty designation shall be selected based on a comparison of specialties presenting similar risk characteristics.
- D. The Company will review such classification designations for exceptions if they involve a minimal portion of the physician's practice. Each such case must be individually submitted for consideration.

IX. TERRITORY CLASSIFICATION

- A. Territory classifications are based on each individual applicant's health care practice as it is insured by Aspen; portions of health care practice that are uninsured, or are insured by other insurers, may be excluded from coverage and are not considered in determining the appropriate rating classification.

ASPEN AMERICAN INSURANCE COMPANY
Physicians and Surgeons Professional Liability Insurance

- B. If two or more territory classifications apply to the same applicant, the classification with the higher rate will apply.
- C. The Company will review such classification designations for exceptions if they involve a minimal portion of the physician's practice. Each such case must be individually submitted for consideration.

X. CLAIMS MADE CLASSIFICATION

- A. Claims made coverage is calculated according to the application of claims made maturity factors to the current manual base rate.
- B. The claims made coverage retroactive date is the initial effective date of continuous coverage by Aspen, except when Aspen and the insured agree that the retroactive date should precede the initial policy effective date (prior acts, or, "nose" coverage).
- C. When prior acts coverage is requested, the claims made year applicable to each classification or miscellaneous charge is determined by the retroactive date and the policy effective date.
 - 1. If the month/day of the retroactive date is the same as the policy effective date, the claims made year is determined as the difference between the effective year and retroactive year.
 - 2. If the month/day of the retroactive date is not the same as the policy effective date, the claims made year is determined by the number of days between the two.
 - a) If the retroactive month/day is 183 days (or less) before the effective month/day, use the effective month/day to determine the retroactive year premium to be used.
 - b) If the retroactive month/day is 184 days (or more) before the effective month/day, use the prior year to determine the retroactive year premium.
- D. Certain coverages may have an individual retroactive date. These are Designated Employees Coverage. Rates for this coverage are determined by their individual retroactive dates reported in the application.
- E. Optional extended reporting period coverage ("tail") shall be offered for up to thirty days following expiration or termination of Aspen claims made policy coverage.
 - 1. Unlimited extended reporting period coverage shall be provided for no additional premium to eligible insureds permanently leaving the practice of medicine for reasons of death, disability or retirement in accordance with policy terms and conditions.

2. Otherwise, extended reporting period coverage premium shall be determined by the insured's expiring annual premium. Offer of an extended reporting endorsement, including a 12 month option as well as various other options up to an unlimited option, will be available to the insured at the inception of the policy. Quotations for premium of an extended reporting endorsement may be given to the insured at any time during the policy year.
3. The Insured must pay the premium for the Extended Reporting Endorsement within 30 days of the termination of the policy or the offer will be deemed rejected.

XI. ADDITIONAL RATING RULES

- A. Ophthalmologists performing laser refractive procedures (of any type including, but not limited to RK, PRK, Lasik, etc.) on more than 400 patients annually shall be subject to the following surcharges.
 1. 401 to 500 patients annually – 50% surcharge,
 2. 501 or more patients annually – submit to Company.
- B. Aspen may be named as the endorsed carrier for a program (which could include, but is not limited to, specialty societies, approved associations or organizations, and provider networks). In return, Aspen will grant each participant in the program a discount of 10%. In addition, certain risk management programs may qualify for this discount.
- C. A physician may be eligible for a part-time discount, subject to Company approval, only if the practice does not exceed 1,040 hours per year and the part-time status is permanent.
 1. Annual verification of eligibility is required including any documentation which the Company may deem necessary.
 2. New policies with no prior acts coverage and eligible for part-time practice status shall receive a 50% discount on their otherwise applicable premium.
 3. New policies with coverage retroactive date equal to the part-time effective date and eligible for part-time practice status shall receive a 50% discount applied to the otherwise applicable premium.
 4. New policies with coverage retroactive date prior to the part-time effective date and eligible for part-time practice status shall receive a discount to the otherwise applicable premium based on the schedule of discounts listed below for current insureds.

ASPEN AMERICAN INSURANCE COMPANY
Physicians and Surgeons Professional Liability Insurance

5. Current insureds that first become eligible for part-time status during a Aspen coverage period shall be phased into the part-time discount according to the following schedule to reflect the continuing prior acts exposure.

Year of Part-time Practice	Premium Discount
First Year	10%
Second Year	20%
Third Year	30%
Fourth Year	50%

- D. A physician may be provided premium relief when taking an approved leave of absence that extends beyond 45 days, but no longer than 720 days.
1. Eligibility under this rule is subject to Company approval in all cases. To determine eligibility, the Company requires a signed statement from the insured stating the reason and anticipated duration of the leave.
 2. Upon approval, the insured's policy coverage shall be held in suspense and the insured's policy premium for the duration of the leave shall be determined according to the following schedule.

Pre-Leave Classification	Premium for Duration of Leave
Class 1	50% of Class 1
Classes 2, 3, 4, and 5	Class 1
Classes 6 and above	Class 3

3. Upon written notification that the insured has returned to the active practice of medicine, Aspen policy coverage shall be reinstated at the classification deemed appropriate by Aspen underwriting.

ASPEN AMERICAN INSURANCE COMPANY
Physicians and Surgeons Professional Liability Insurance

- E. A new physician entering the first year of private practice following completion of an accredited residency or fellowship program in their specialty may be eligible for a discount.
1. A 65% discount applies to first year claims made rates.
 2. A 30% discount applies to second year claims made rates.
 3. A 15% discount applies to third year claims made rates.
 4. Thereafter, no discount applies.
 5. This discount is subject to company approval, and may not be used if prior acts coverage applies.

XII. LOSS FREE CREDIT

- A. Any physician who is loss free as of the original effective date of new coverage, or the renewal date of current Aspen coverage, will qualify for a premium credit based on the following schedule:

Loss Free Years	Credit
Less than 5	None
5 to 10	10%
10 +	15%

- B. Loss free status will be determined on experience. The experience period will start as of the year of practice commenced, unless there was a period under the practice when the physician went “bare.” In this case, the experience period will begin as of the date he/she becomes insured with a carrier whose “definition of claim” clause is comparable to Aspen. The number of loss free years is calculated from January 1 of the practice origin, or the date of the last qualifying loss, to the physician’s renewal date.
- C. If loss free status changes between the time the renewal is issued and the actual effective date, the renewal will be reissued at the correct premium charge and the difference billed to the insured.
- D. If a loss occurs during the year, the loss free status reverts to 0 years. However, the loss free credit will only change at renewal.

XIII. ADVERSE RISK SURCHARGE

- A. A physician or surgeon may be an acceptable professional liability insurance risk only at rates higher than otherwise available through this rating manual.
- B. The premium applicable to those physicians who have experienced more than two “chargeable” claims in excess of \$10,000 over the seven year period immediately preceding the current policy anniversary shall be surcharged in accordance with the following table.

Chargeable Claims	Premium Surcharge
2	50%
3	150%
4+	500%

- C. Each and every claim shall have a determination of whether or not it is “chargeable.” Once assessed, the surcharge shall apply for a three year period commencing on the policy anniversary following determination of a “chargeable” claim. Each subsequent “chargeable” claim determination shall start a new three year surcharge period.

XIV. PREMIUM CALCULATION

- A. The base rate presented in this manual reflects \$1,000,000/\$3,000,000 limits of liability, mature claims made medical professional liability coverage provided for an annual policy period. Factors for rating other available coverage options are presented in the Rating Factors section of this manual.
- B. Additional charges provided under any rate schedule in this manual measure the liability of an insured for the exposures covered by those additional charges. Additional charges must be obtained where those exposures exist and are insured.
- C. The policy minimum premium is \$500.
- D. Policy premiums are rounded to the nearest whole dollar.
- E. For each individual physician or surgeon, policy premium is determined by performing the following calculations in this order:

ASPEN AMERICAN INSURANCE COMPANY
Physicians and Surgeons Professional Liability Insurance

1. Calculate the manual base premium by multiplying the appropriate claims made, specialty and territory classification factors, as described in the sections above, to the manual base rate.
2. Calculate the adjusted manual base premium by applying any additional rating rules (e.g., part-time practice, newly practicing physician) to the result of Step 1 above.
3. Add charges for additional insured employees, or charges for the vicarious exposure created by employees to the result of Step 2.
4. Apply the appropriate limits factor to obtain a policy limits adjusted premium to the result of Step 3.
5. Apply the total of all applicable experience and scheduled rating credits and debits to the result of Step 4.

XV. CHANGE IN EXPOSURE

- A. When an insured changes to a lower rated classification or territory designation, there is a continuing exposure to claims from the prior class or territory. In order to provide for this continuing exposure, a form of “tail” charge shall apply.
 1. The charge will be based on the difference between the “tail” charge for the old designation and the new designation. This “tail” charge will be computed on each of the three year policy years following such change in exposure utilizing the “tail” rates and procedures in effect at each subsequent policy anniversary.
 2. The original coverage retroactive date will be maintained for the new designation. If the policy is subsequently cancelled, any remaining “tail” premium applicable to the change in exposure shall be charged in addition to the otherwise applicable extended reporting period premium based on the new designation.
 3. If the insured becomes eligible, under the policy terms, for extended reporting period coverage due to death, disability or retirement, any remaining charge for the change in exposure shall be waived.
- B. Changes in the policy limits of liability require a signed request by the physician. A “no known loss” letter must accompany the request for change in limits along with a statement on why the limits are to be changed. No change can be made until the request has been received by the Company and will be effective on the date received unless a later date is specified.

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1. All limit changes are retroactive as respects future claims from incidents which the insured was not aware might result in a claim, as of the effective date of the change. An acknowledgment of this will be sent to the insured to be signed and returned to use for every limit increase.
2. Increased limits are subject to underwriting approval. Limit decreases to may be available upon request but limits of liability at all times will be in compliance with State Law.

XVI. ADDITIONAL INTERESTS

A. Designated Employee Coverage

1. Designated Employee Coverage is available for certified Physician's Assistants, Nurse Practitioners, CRNA's and Nurse Midwives who are employed by our insured and listed on the Declarations under Schedule Endorsements. The Designated Employee may be specifically named on the policy, but no additional limit of liability will apply.
2. This coverage is required for employed Certified Physician's Assistants, Nurse Practitioners, CRNA's and Nurse Midwives, or they must provide proof of individual coverage for a minimum limit of \$250,000/\$750,000. If they are not insured as Designated Employees, or have approved coverage elsewhere, the insured is not covered for liability for the actions of such an employee.
3. Completed applications are required for each Designated Employee and should be submitted to the Company before the employee begins working for the insured. Applicants are subject to prior approval by the Company before the coverage may be added. Coverage cannot be effective prior to receipt of notification.
4. The rates applicable to Designated Employees, along with the definitions of the rate categories are included in the rate section of this manual.
5. A charge will apply for the employer's vicarious liability for each employee of the insured who does not have coverage on a Aspen policy. The charges for vicarious liability are included in the rate section of this manual.

B. Locum Tenens Physician Coverage

1. A substitute physician may be added to an insured's policy by providing proper notice to Aspen. The cumulative period of substitution will not exceed more than 45 days in one policy period.

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2. Each prospective locum tenens must submit a complete application, be licensed to practice medicine in the same specialty, be employed by and be acting as a substitute replacement (not permanent) for the insured physician in addition to being approved for coverage by Aspen underwriting.
 3. Upon approval by Aspen underwriting, coverage shall be provided for professional services rendered by the locum tenens physician while acting on behalf of and within the scope of the insured physician's medical practice. Coverage will be provided on a shared limits of liability basis with the insured physician for no additional premium.
 4. No individual "tail" coverage is available.
 5. This coverage is limited ONLY to situations where a locum tenens physician is replacing an insured who will not be otherwise practicing medicine during the coverage period.
- C. Organization Coverage
1. Shared Limits of Liability
 - a. A professional association, corporation, or other similar professional legal entity, owned entirely by an individual insured may be added to his or her policy as an additional insured with no additional limits of insurance for no additional charge.
 2. Separate Limits of Liability
 - a. A professional association, corporation, partnership, or other legal entity that is owned by two or more professional persons may purchase a separate limits of organization professional liability insurance policy for additional premium based on a percentage of the claims made mature, manual premium applicable to each physician member of the organization according to the following schedule.

Policy Limit	Percent of Physicians' Premium
\$250,000/\$750,000	30%
\$500,000/\$1,500,000	20%
All Other Limits	15%

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- b. The total mature premium is then modified by the applicable claims made maturity factor corresponding to the organization's coverage retroactive date.
- c. If any physician member is not insured by Aspen, they may be added to the organization coverage schedule, subject to Aspen underwriting approval. The organization coverage premium for non-Aspen insured physicians scheduled to the organization coverage is calculated as if all physician members were insured by Aspen.
- d. Organization liability coverage is written at limits of liability no greater than the lowest limits written on behalf of any of the owners or members of the organization.

XVII. INVESTIGATION COVERAGE

- A. Optional extended investigation coverage may be available, subject to Company approval, for incidents first giving cause for investigation by regulatory authorities that occur after the policy retroactive date provided the investigation commenced after the date that the optional coverage was added to the policy.
- B. The following table describes the two types of investigation coverage offered by the Company.

Endorsement	Investigation related to:
Administrative Proceeding Amendatory Endorsement	State Administration/ Regulatory Medical Board
Medicare/Medicaid Fraud & Abuse/ HIPAA Defense Costs Endorsement	Medicare/Medicaid Fraud & Abuse HIPAA Violations

- C. The table below presents the coverage limits and additional premium corresponding to the two types of investigation coverage offered by the Company.

Endorsement	Limit Per Physician	Premium per Physician
Administrative Proceeding Amendatory Endorsement	\$25,000 per claim; \$25,000 policy aggregate	\$500
Medicare/Medicaid Fraud & Abuse/ HIPAA Defense Costs Endorsement	\$25,000 per claim; \$25,000 policy aggregate	\$500

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XVIII. FULL-TIME EQUIVALENT RATING

- A. Rating for certain multi-physician groups may be written on a full-time equivalent (FTE) basis, subject to Company approval. Under this method, policies will be issued to cover positions rather than specific individuals.
- B. The FTE rate will be determined based on the filed and approved rate for the specialty classification corresponding to each position and the average number of patient contacts or visits expected during the policy period according to the table below.

Emergency Medicine	5,400 visits per year
Outpatient Clinic	10,000 visits per year

- C. In the event a position is eliminated, the Named Insured shall purchase an extended reporting endorsement for that position.

XIX. INDIVIDUAL RATING PLAN

The Company has determined that significant variability exists in the hazards faced by physicians engaged in the practice of medicine. In recognition of these risk characteristics presented in the table below, the Company will apply a debit or credit to the otherwise applicable rate based upon the underwriter's overall evaluation of the risk. The following credits/debits may be applied in various increments, but not to exceed the percentage listed for each characteristic. The maximum credit/debit applied to any policy through this plan shall be 25%.

Risk Characteristic	Credit	Debit
Risk Management/Risk Assessment/Qualifications/ Training/Continuing Education including: 1. Board Eligibility or Board Certification 2. Hospital Affiliations or Staff Privileges 3. Experience in Specialty 4. Accreditation	0% to 10%	0% to 10%
Practice Patterns which may include patient load and support staff	0% to 10%	0% to 10%
Patient Documentation and Follow up	0% to 5%	0% to 5%
Employee selection, supervision, training and experience	0% to 5%	0% to 5%
Compliance with applicable regulations (OSHA, CLIA, HIPAA, etc.)	0% to 10%	0% to 10%

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Risk Characteristic	Credit	Debit
Cooperation with Underwriting, Claims, Defense Counsel	0% to 10%	0% to 10%

XX. MANUAL BASE RATE

The following manual base rate represents mature claims made medical professional liability coverage for \$1,000,000/\$3,000,000 limits of liability.

Manual Base Rate = \$23,040

XXI. PHYSICIAN CLASSIFICATION PLAN

For Class Description see Appendix 1.

Class	Factor	Class	Factor
1	0.500	9	2.250
2	0.650	10	2.700
3	0.850	11	3.250
4	1.000	12	3.750
5	1.250	13	4.500
6	1.350	14	5.250
7	1.750	15	7.000
8	2.000		

XXII. DESIGNATED EMPLOYEE RATES

Designated Employee	Limit of Liability Shared with Insured Physician	Limit of Liability Shared with Insured Corporation
Nurse Midwife	13.5% Class 4	27.5% Class 4
Nurse Practitioner	2.25% Class 4	4.5% Class 4
Physician Assistant	5.0% Class 4	10.0% Class 4
Nurse Anesthetist	No Charge	No Charge

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XXIII. TERRITORY CLASSIFICATION PLAN

Territory	Factor	Description
1	1.000	Cook, Madison, St. Clair
2	0.780	Will, Jackson, Vermilion
3	0.700	Lake, Kane, McHenry, Winnebago
4	0.650	Bureau, Coles, DeKalb, DuPage, Kankakee, LaSalle, Ogle, Randolph
5	0.630	Champaign, Macon, Sangamon
6	0.480	Peoria
7	0.480	Remainder of State

XXIV. CLAIMS MADE CLASSIFICATION PLAN

Claims Made Year	Claims Made Factor	ERP Factor
1	0.300	0.850
2	0.555	1.560
3	0.850	1.820
4	0.980	2.000
5	1.000	2.000
6	1.000	2.100
7+	1.000	2.100

* All factors in the table above are applied to the mature manual base rate.

XXV. LIMIT FACTORS

Class	250/750K	500K/1.5M	1.0M/3.0M
1	0.650	0.730	1.000
2	0.650	0.730	1.000
3	0.650	0.730	1.000
4	0.650	0.730	1.000
5	0.650	0.730	1.000
6	0.650	0.730	1.000
7	0.650	0.730	1.000
8	0.650	0.730	1.000
9	0.650	0.730	1.000
10	0.650	0.730	1.000
11	0.650	0.730	1.000
12	0.650	0.730	1.000
13	0.650	0.730	1.000
14	0.650	0.730	1.000
15	0.650	0.730	1.000

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Appendix 1 – Physician Classification Plan

Class Descriptions

Class 1

Non-surgical specialist including-

Aerospace Medicine, Allergy, Dermatology/No Surgery, Forensic/Legal Medicine, General Preventive Medicine, Nutrition, Occupational Medicine, Physical Medicine/Rehabilitation, and Public Health

Class 2

Non-surgical specialist including-

Diabetes/No Surgery, Endocrinology/No Surgery, Nuclear Medicine, Ophthalmology/No Surgery, Otorhinolaryngology/No Surgery, Pathology/No Surgery, Psychiatry, and Rheumatology/No Surgery

Class 3

Non-surgical specialist including-

Cardiovascular Disease/No Surgery, Geriatrics/No Surgery, Gynecology/No Surgery, Nephrology/No Surgery, and Pediatrics/No Surgery

Class 4

Non-surgical specialist including-

Family/General Practice – No Surgery, Hematology/No Surgery, Infectious Disease/No Surgery, Internal Medicine/No Surgery, Oncology/No Surgery, Pulmonary Disease/No Surgery, and Urgent Care Medicine

Specialist performing minor surgery including-

Dermatology/Minor Surgery, Diabetes/Minor Surgery, Endocrinology/Minor Surgery, and Ophthalmology/Minor Surgery

Class 5

Non-surgical specialist including-

Anesthesiology, Diagnostic Radiology/No Surgery, Gastroenterology/No Surgery, Intensive Care Medicine/Hospitalist, Neurology/No Surgery, Pain Management, and Radiology-Therapeutic

Specialist performing minor surgery including-

Geriatrics/Minor Surgery, Gynecology/Minor Surgery, Nephrology/Minor Surgery, Otorhinolaryngology/Minor Surgery, Pathology/Minor Surgery, Pediatrics/Minor Surgery and Urology/Minor Surgery

ASPEN AMERICAN INSURANCE COMPANY
Physicians and Surgeons Professional Liability Insurance

Appendix 1 – Physician Classification Plan

Class Descriptions (Continued)

Class 6

Specialist performing minor surgery including-

Family/General Practice/Minor Surgery – No OB, Gastroenterology/Minor Surgery,
Hematology/Minor Surgery, Infectious Disease/Minor Surgery, Internal Medicine/Minor Surgery,
Neurology/Minor Surgery, and Oncology/Minor Surgery

Surgical specialist including-

Ophthalmology - Surgery

Class 7

Specialist performing minor surgery including-

Cardiovascular Disease/Minor Surgery, Diagnostic Radiology/Minor Surgery, Family/General
Practice/Minor Surgery – Limited OB, and Pulmonary Disease/Minor Surgery

Surgical specialist including-

Dermatology/Major Surgery, Gastroenterology/Major Surgery, Neoplastic Diseases – Surgery,
Nephrology/Major Surgery, and Otorhinolaryngology/Surgery (Excl Plastic)

Class 8

Non-surgical specialist including-

Neonatology/No Surgery

Surgical specialist including-

Family/General Practice - Surgery and Geriatrics - Surgery

Class 9

Specialist performing minor surgery including-

Emergency Medicine/No Major Surgery

Surgical specialist including-

Colon/Rectal Surgery, Hand Surgery, and Urology - Surgery

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Physicians and Surgeons Professional Liability Insurance

Appendix 1 – Physician Classification Plan

Class Descriptions (Continued)

Class 10

*Specialist performing minor surgery including-
Neonatology/Minor Surgery*

*Surgical specialist including-
General Surgery, Gynecology/Major Surgery, Head/Neck Surgery, and
Otorhinolaryngology/Surgery (Incl Plastic)*

Class 11

*Surgical specialist including-
Abdominal Surgery, Emergency Medicine/Major Surgery, Pediatric Surgery, and Plastic Surgery*

Class 12

*Surgical specialist including-
Orthopedic Surgery/Excluding Spine, Thoracic Surgery, Traumatic Surgery, and Vascular Surgery*

Class 13

*Surgical specialist including-
Cardiac Surgery, Cardiovascular Surgery, and OB/GYN Surgery*

Class 14

*Surgical specialist including-
Orthopedic Surgery/Including Spine*

Class 15

*Surgical specialist including-
Neurological Surgery*

State:	Illinois	Filing Company:	Aspen American Insurance Company
TOI/Sub-TOI:	11.2 Med Mal-Claims Made Only/11.2023 Physicians & Surgeons		
Product Name:	Physicians and Surgeons Professional Liability		
Project Name/Number:	ASAIC-MM-PS-IL-1301R /ASAIC-MM-PS-IL-1301R		

Supporting Document Schedules

Satisfied - Item:	Explanatory Memorandum
Comments:	Please review the Filing Description.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Form RF3 - (Summary Sheet)
Bypass Reason:	N/A, new program.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Certification
Comments:	
Attachment(s):	IL Filing Certification - Med Mal.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Manual
Bypass Reason:	This is a new program with the initial introduction of rates/rules. The proposed manual is attached to the Rate/Rule Schedule.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Request to Maintain Data as Trade Secret Information
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Letter of Authorization
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SERFF Tracking #:	PERR-128940127	State Tracking #:	PERR-128940127	Company Tracking #:	ASAIC-MM-PS-IL-1301R
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State:	Illinois	Filing Company:	Aspen American Insurance Company
TOI/Sub-TOI:	11.2 Med Mal-Claims Made Only/11.2023 Physicians & Surgeons		
Product Name:	Physicians and Surgeons Professional Liability		
Project Name/Number:	ASAIC-MM-PS-IL-1301R /ASAIC-MM-PS-IL-1301R		

Comments:	
Attachment(s):	P&K Authorization Letter 3.7.13 .pdf
Item Status:	
Status Date:	

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Bruce L. Rake, a duly authorized officer of Aspen American Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Kyle M. Hales, ACAS, MAAA, a duly authorized actuary of Perr & Knight am authorized to certify on behalf of Aspen American Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

[Signature]
Signature and Title of Authorized Insurance Company Officer

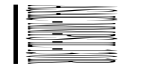
3/19/13
Date

[Signature]
Signature, Title and Designation of Authorized Actuary

03/13/2013
Date

Insurance Company FEIN: 75 - 2344200

Filing Number: .



Insurer's Address 350 North St. Paul Street

City Dallas

State TX

Zip Code 75201

Contact Person's:

Name and E-mail Lana Begunova, AINS, AIS; doi@perrknight.com

Direct Telephone and Fax Number 888-201-5123 ext. 151 (tel); 310-230-1061 (fax)



March 7, 2013

Commissioner of Insurance
State Insurance Department
USA

Re: Perr & Knight – Filing Authorization
Aspen American Insurance Company
Physicians and Surgeons Professional Liability Insurance
NAIC No. 4698-43460 FEIN: 75-2344200

To Whom It May Concern:

This will certify that Perr & Knight has been given authority to submit rates, rules, forms and respond to any issues regarding the above captioned filing on behalf of Aspen American Insurance Company. This authorization is deemed to be in effect until rescinded in writing.

Please direct all correspondence in relation to these filings to:

State Filings Department
Perr & Knight
401 Wilshire Blvd, Suite 300
Santa Monica, CA 90401
Phone: (310) 230-9339
Fax: (310) 230-1061

If you need additional information, please let me know. My direct phone number is 860.760.7708 and my email address is shawn.bates@aspen.co.

Sincerely,

Shawn Bates
Senior Filings Manager
Aspen U.S. Holdings, Inc.
175 Capital Blvd, Suite 100
Rocky Hill, CT 06067
D: (860) 760-7708
M: (860) 324-5748
www.aspen.co